U.S. Department of Transportation
Federal Transit Administration

Fiscal Year (FY) 2025 Annual Report on Leasing Arrangements

Transit providers can receive grant funding from the Federal Transit Administration (FTA) for capital leases. A capital lease allows a provider to make periodic payments to use capital assets without owning them at the end of the leasing period. Eligible capital assets include bus and rail rolling stock, as well as associated maintenance items like tires and fuel.

This report describes FTA's capital leasing activities for FY 2025 (October 1, 2024 to September 30, 2025) and fulfills an annual Congressional reporting requirement. It also provides final data for FY 2024 activities. The report uses data available as of December 1, 2025.

Legislative background

The Fixing America's Surface Transportation Act, enacted in 2015, changed the requirements for transit providers to receive Federal grant funding for capital leases.[1] The Act also requires the Secretary of Transportation to make public an annual report that:

- Details capital leasing activities the Department of Transportation conducted under the law
- Evaluates its capital leasing program with available data, including data from reporting requirements introduced in the act

FTA prepares and posts this annual report to fulfill the requirement. The report is due December 31 of each year.

The FAST Act also requires grantees leasing rolling stock to submit an evaluation report to FTA within three years of executing the lease. The evaluation report must include:

- An evaluation of the overall costs and benefits of leasing rolling stock
- A comparison of the expected short- and long-term maintenance costs under a lease versus maintenance costs for buying rolling stock

Capital lease activities in FY 2024 and FY 2025

In FY 2025, FTA has awarded 21 grants for capital leases totaling $7.5 million, including grants to three State departments of transportation.[2] The awards account for 0.1 percent of the $5.7 billion FTA has awarded in FY 2025 for rolling stock and associated capital maintenance items.

FTA awarded $5.0 million for capital maintenance items (15 grants) and $1.5 million for leases of bus and van rolling stock (5 grants). FTA awarded $1.0 million for one lease of rail rolling stock. Fourteen of the 15 grants made for capital maintenance items included new or existing tire leases.

[1] Fixing America's Surface Transportation Act, Pub. L. No. 114-94, 129 Stat. 1490 (2015). Section 3019(c)(5), "Leasing Arrangements."
[2] Amounts in this report may not sum due to rounding.

FTA awarded four grants for new leases of capital maintenance items; the remaining grants were for existing leases.

In FY 2024, FTA awarded 22 capital lease grants totaling $10.8 million.[2] FTA awarded $1.3 million for bus and van rolling stock (8 grants) and $5.1 million for capital maintenance items (14 grants). The awards accounted for 0.2 percent of the $5.2 billion in total funding FTA awarded in FY 2024 for rolling stock and associated capital maintenance items.

Capital lease activities since FY 2016

FTA has awarded $674 million in grants for capital leases since FY 2016, although capital leasing activities have decreased substantially over time (Table 1). The number of grants decreased from 35 awards in FY 2016 to 21 awards in FY 2025, and total funding decreased from $47.2 million to $7.5 million, an 84-percent decrease. More than two-thirds of the funding since FY 2016 ($460.5 million; 68 percent) was for a lease of electric rail rolling stock by NJ Transit, which ended in FY 2021.

Table 1: FTA funding for capital leases by fiscal year, 2016–2025

Fiscal year	Grant awards	Total funding	Change from previous year
2016 (partial)	35	$47,193,050	—
2017	38	$226,616,152	380%
2018	34	$111,268,022	-51%
2019	37	$96,304,591	-13%
2020	25	$85,806,097	-11%
2021	29	$71,727,898	-16%
2022	14	$7,392,669	-90%
2023	22	$9,434,629	28%
2024	22	$10,812,138	15%
2025 (as of December 1)	21	$7,509,792	-31%
Total	**277**	**$674,065,038**	

Source: FTA Transit Awards Management System (TrAMS)

Although FTA awards many of its capital lease grants for ongoing leases, it has also awarded grants for 63 new capital leases since 2016 (Table 2). FTA awarded 24 grants (38 percent) for bus rolling stock (buses, vans, cars, and ferry boats) and rail rolling stock, as well as 39 awards (62 percent) for capital maintenance items consisting mainly of tire leases.

[2] The FY 2024 Annual Report on Leasing Arrangements, which used data available as of September 1, 2024, reported 17 grants totaling $6.3 million. The final data account for additional FY 2024 obligations and late reporting.

Table 2: New capital leases by fiscal year, 2016–2025

Fiscal year	Rolling stock	Capital maintenance items	Total
2016 (partial)	2	2	4
2017	1	6	7
2018	4	8	12
2019	0	3	3
2020	1	1	2
2021	2	6	8
2022	3	0	3
2023	6	7	13
2024	5	2	7
2025 (as of December 1)	0	4	4
Total	**24**	**39**	**63**

Source: FTA Transit Awards Management System (TrAMS)

More information

FTA continues to provide technical assistance and outreach on capital leasing to applicants and grantees. More information is available at https://www.transit.dot.gov/funding/funding-finance-resources/capital-leasing/capital-leasing.